



Montgomery County Council

From the Office of Councilmember Mike Knapp

For Immediate Release

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KNAPP CALLS FOR REPEAL OF PREDATORY LENDING LAW

"I opposed Bill 36-04, but it was my hope that the more unclear provisions of the bill could eventually be deployed in a manner that would not discourage conscientious lenders from doing business in our county. Regrettably, however, many lenders have already decided that Bill 36-04 presents them with unquantifiable risks, and therefore is so potentially onerous, that they have chosen not to provide loans to persons residing in Montgomery County.

"Montgomery County cannot and will not tolerate discrimination in our community. To that end, both Maryland and Montgomery County have been proactive in implementing policies to protect vulnerable populations from unscrupulous lenders. At the time we were considering the bill, the Council was advised by the Montgomery County Office of Human Rights that the county already had at its disposal all the appropriate federal, state and local laws and regulations needed to combat discrimination in lending.

"With the refusal of these lenders to do business in our county, there is a very real risk that this legislation will now limit the opportunity for some of our neediest residents to secure a loan – an unintended, but very real consequence that was raised during debate on the legislation, and the precise predicament this bill was enacted to prevent. I have heard from numerous frustrated residents who were in the process of securing loans and while they would have had no problems in doing so last week, this week they can't. We must respond to these issues.

“The bill that passed the council was a theoretical exercise; the practical effect is that real people of all backgrounds who live in our community are now finding it even more difficult to purchase or re-finance their home – that’s just not right. I urge my colleagues to join with me and repeal this legislation as quickly as possible.”

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